

DISABILITY INSURANCE PROGRAM FREQUENTLY ASKED QUESTIONS (FAQ)

Section 2 - Short Term Disability (STD) Program (Effective August 1, 2010)

Disclaimer –

If there is any conflict in interpretation between the FAQ's and the Short-Term Disability (STD) and Long-Term Disability (LTD) program contract provisions and existing law, the contract provisions and/or law govern.

Q 2.0 What is a Short Term Disability (STD) program?

A 2.0 By definition, Short-Term Disability programs provide enrolled employees with partial income replacement for a short period of time should the employee become disabled due to a covered accident, sickness or pregnancy. In the STD program sponsored by the State of Delaware, Short-Term Disability means that an employee is unable to perform one or more of the essential duties of the employee's occupation due to injury, sickness, pregnancy or other medical condition covered by the plan, and the employee's weekly earnings are 80% or less than pre-disability base salary including hazardous duty pay, if applicable.

Q 2.1 What disabilities are not covered in the STD program?

A 2.1 The STD program does not cover:

- injury, sickness, mental illness, substance abuse, or pregnancy not being treated by a physician or surgeon;
- disability caused by or contributed to by war or act of war (declared or not);
- disability caused by commission of or attempt to commit a felony, or to which a contributing cause was the employee being engaged in an illegal occupation;
- disability caused by or contributed to by an intentionally self-inflicted injury;
- injury sustained as a result of doing any work for pay or profit from another employer.

Q 2.2 Is there a Pre-existing Conditions Limitation in the STD program?

A 2.2 No.

- Q 2.3 How should employees contact The Hartford to file a claim?**
A 2.3 Employees should call **1-866-945-7781** to file a Short Term Disability claim with The Hartford between 8:00 a.m. and 8:00 p.m. (ET), Monday through Friday. Employees may also file a Short-Term Disability claim online at www.TheHartfordAtWork.com, 24/7. (Under the “Access your Account” section, click on “Start a Claim”, then click “Start a Short-Term Disability Claim”. Please type in the State of Delaware’s policy number of “071675” to continue the online submission).

Employees should be prepared to provide the following information to The Hartford:

- Name and Social Security Number;
- Name of agency or school district (State of Delaware) and the last day of active employment;
- Name and phone number of Manager or Benefit Representative;
- Nature of claim and whether it is work related;
- Treating physician’s name, address and telephone number.

Employees are also advised to contact their treating physician(s) to authorize the release of medical information required by The Hartford to process a claim.

- Q 2.4 When do employees contact The Hartford to file a claim?**
A 2.4 Employees with a date of disability occurring on or after August 1, 2010 must file an STD claim with The Hartford no later than 15 calendar days from the date of disability or absence from work even if the employee applied for and/or is receiving lost wage benefits (i.e., Workers’ Compensation and/or Personal Injury Protection (PIP) benefits) from the State of Delaware and/or other income benefit plan defined in the Short Term Disability benefits booklet.

Employees with a date of disability on or prior to July 31, 2010 must file a Short Term Disability claim with The Hartford no later than 15 calendar days prior to the 60th calendar day of absence from work even if the employee applied for and/or is receiving lost wage benefits (i.e., Workers’ Compensation and/or Personal Injury Protection (PIP) benefits) from the State of Delaware and/or other income benefit plan defined in the Short Term Disability benefits booklet.

- Q 2.5 Will The Hartford notify the employee’s human resources office that an STD claim was filed?**
A. 2.5 Yes. The Hartford will also verify the employee’s last day worked information with the employee’s with human resources office.

Q 2.6 What process is used by The Hartford to make a claim determination?

A 2.6 Below is an overview of the claim filing process:

Business Day 0

- Employee contacts The Hartford to report a claim.
- For telephonic submissions, The Hartford's examiner captures the information and explains the claim process to the employee.

Business Day 1-2

- For online submissions, The Hartford's examiner calls the employee to explain the claim process and to review the information on the employee's submission.
- The Hartford makes up to two calls to the attending physician(s) within 2 business days of receiving the employee's claim to obtain necessary medical information to make the initial claim decision.
- The Hartford sends an email to the employing organization requesting information such as the employee's last day worked.

Business Day 5

- If medical information has not been received, The Hartford contacts the employee and requests that they have the physician's office call The Hartford.
- The Hartford will remind the employee that if the information is not received by the 15th business day, the claim will be closed *until* the information is received.
- If all the medical information has been received, then The Hartford will adjudicate the claim.

Business Day 15

- The claim will be closed if physician information is still missing.
- The Hartford will send a letter to the employee (and an email to the employing organization) notifying both parties of the claim determination.

Q 2.7 What happens if a physician requests payment for the release of medical information?

A 2.7 The employee is responsible for the payment of any initial fees requested by their attending physician(s) for the release of medical information and/or subsequent attending physician statements (APS's) requested by The Hartford. If additional more detailed information (i.e, medical records, narrative reports, etc.) are required by The Hartford in order to consider a claim, The Hartford will honor a reasonable fee request.

- Q 2.8 Can The Hartford use “out-of-work” slips and/or a copy of the employee’s Family Medical and Leave Act (FMLA) application and/or submission in lieu of obtaining medical information?**
- A 2.8 No. The Hartford is *required* to obtain medical information (i.e., test results, lab reports, x-rays, etc.) from all attending physician(s).
- Q. 2.9 Are employees required to file an STD claim?**
- A. 2.9 Yes. Employees with a date of disability occurring on or after August 1, 2010 must file an STD claim with The Hartford no later than 15 calendar days from the date of disability, even if the employee applied for and/or are receiving lost wage benefits (i.e., Workers’ Compensation and/or Personal Injury Protection (PIP) benefits) from the State of Delaware. Per Delaware Code, Title 29, Chapter 52a, once an employee exhausts the calendar day elimination period, the employee will be deemed to have applied for STD benefits and shall *not* be eligible to utilize paid leave in lieu of application for Short Term Disability benefits.
- Q 2.10 When do STD benefit payments commence and for how long?**
- A 2.10 For a disability occurring on or after August 1, 2010 caused by a covered sickness and/or accident, benefits commence after completion of a 30 calendar day elimination period for up to a maximum period of 182 calendar days. The 182 calendar day STD benefit period *includes* the calendar days in the elimination period.
- For a disability occurring on or prior to July 31, 2010 caused by a covered sickness and/or accident, benefits commence after completion of a 60 calendar day elimination period for up to a maximum period of 182 calendar days.
- Q 2.11 Does the elimination period have to be satisfied consecutively?**
- A 2.11 No. The calendar day elimination period does not have to be satisfied consecutively. Consider the following two examples:

Example 1

John is absent from work for 15 days due to disability. He “prematurely” returned to work for 2 days before his symptoms reappear and his physician re-certifies his disability. Because he returned to work for less than 14 days, The Hartford will consider this a recurrence of his initial disability and his next day of absence from work will count as his 16th day toward satisfaction of his calendar day elimination period.

Example 2

As part of Lauren’s chemotherapy treatment, she receives an injection on Monday and is absent from work due to sickness connected with the injection on Tuesday and Wednesday every

other week. In other words, Lauren misses the first 3 days of work every other week because of chemotherapy treatments. As long as each time she returns to work is less than 14 consecutive days, The Hartford will consider each day she misses as part of her elimination period. At this pace, Lauren will satisfy the elimination period as follows:

1 st week:	3 days
3 rd week:	6 days
5 th week:	9 days

Q 2.12 How is the elimination period satisfied for employees who work less than 12 months per calendar year?

A 2.12 The elimination period must commence and conclude within normal working periods for employees who work less than twelve (12) months per calendar year.

Q 2.13 What is the weekly STD benefit payment?

A 2.13 The weekly benefit will be the lesser of 75% of pre-disability earnings including hazardous duty pay, if applicable, or \$2,000, reduced by other income benefits including but not limited to Workers Compensation (WC) and compulsory (private or State) no-fault insurance (PIP).

Q 2.14 How are earnings defined?

A 2.14 Earnings are defined as base weekly earnings (including hazardous duty pay, if applicable) an employee receives from any employer or for any work while disabled and eligible for residual disability benefits. This does not include commissions, bonuses, shift differential pay, overtime pay, or any fringe benefit or extra compensation.

Q 2.15 Are STD benefits affected by increases or reductions in salary?

A 2.15 Yes. Any employee whose STD claim is in an approved status as of July 4, 2010 will experience an increase in STD benefits for the period beginning July 4, 2010. 29 Del. C. §5253 (b)(3) states that “Creditable compensation during periods an employee receives short-term disability benefits shall include general salary increases awarded or reductions in salary instituted during the period of short-term disability coverage.”

Q 2.16 Who pays the STD benefit?

A 2.16 The STD benefit is paid by the State of Delaware through the employee’s employing organization on a bi-weekly basis via a payroll check.

- Q 2.17 What is the minimum STD benefit payment?**
A 2.17 \$25.00 or 10% of the gross STD benefit before deduction of other income benefits, whichever is greater. If however the employee is receiving 100% of pre-disability pay from any other income replacement source, the minimum STD benefit payment will not be paid.
- Q 2.18 How is the weekly STD benefit payment calculated if disability starts or ends in the middle of a pay period?**
A. 2.18 If an employee is working an alternate schedule, the calendar days used to satisfy the elimination period are converted to a Monday through Friday schedule. Once the elimination period has been satisfied, the STD program will pay 1/5 of the weekly benefit amount for each week day the employee is disabled during a pay period as all STD benefit payments are calculated using a 5 day work week.
- Q 2.19 Can the weekly STD benefit payment be supplemented?**
A. 2.19 Yes. Employees may use available annual leave, sick leave, compensatory time or donated leave to bring the STD benefit payment up to a maximum of 100% of pre-disability base salary.
- Q 2.20 Will employees continue to accrue service pension credits while receiving STD benefit payments?**
A 2.20 Yes. Employees receiving STD benefit payments will continue to accrue service pension credits.
- Q 2.21 Will employees continue to earn state share or double state share for health care coverage while receiving STD benefit payments?**
A 2.21 Yes. Employees receiving STD benefit payments will continue to earn state share or double state share as applicable.
- Q 2.22 What are Residual (Partial) Disability benefits?**
A 2.22 If while covered under this benefit, an employee becomes disabled and works on a part-time or limited duty basis earning more than 20% but no more than 80% of weekly earnings, The Hartford will classify the employee as being Residually Disabled. If an employee should become residually disabled, the following calculation is used to determine the weekly STD benefit:
- Weekly Benefit = ((A-B)/A) x C
A = Pre-disability weekly earnings including hazardous duty pay, if applicable.
B = Current weekly earnings.
C = The weekly STD benefit payable if the employee were totally disabled.

Consider this example:

John earns \$1,000 per week and returns to work part-time and earning \$600 per week. John would receive a residual STD benefit of \$300 based on the following calculation:

A = \$1,000 (Average weekly wage)

B = \$ 600 (Part-time wages earned)

C = \$ 750 (75% STD weekly benefit)

Residual Offset = \$450

Residual Benefit = \$300

Q 2.23 What is the coverage for school district, charter school and higher education employees who work less than twelve months per calendar year and become disabled during a non-working period?

A 2.23 Disabilities that begin during a non-working period may not be claimed until the normal working period resumes. The actual date of the disability will always be the date listed in The Hartford's claim system; however, the elimination period begins the first working day of the new school year. For example, a disability that occurs on July 1st for a less than twelve month educational employee will show a July 1st date of disability in The Hartford's claim system however, the elimination period begins the first working day of the new school year. In this example, the employee would have to satisfy a 60 calendar day elimination period before receiving STD benefits because the date of disability is prior to August 1, 2010. Conversely, if a disability occurs on or after August 1, 2010 for a less than twelve month educational employee, the employee will have to satisfy a 30 calendar day elimination period starting on the first day of the new school working year.

Q 2.24 What is the coverage for less than twelve month school district, charter school and higher education employees who become disabled during the school year and whose disability runs through non-working months?

A 2.24 In this situation, the calendar day elimination period begins during the school year and continues through the end of the current school year. If for example, an employee should become disabled in March of a school year, the elimination period begins on the first day out of work and extends through the end of the employee's normal working period for that school year. Employees in less than twelve month contracts will receive a "day's adjustment" to pay them for the contracted days worked from the start of the school year through and including the elimination period. Once the elimination period has been satisfied, the daily STD benefit will be calculated by dividing the employee's annual contractual compensation by the number of days in the employee's contract, multiplied by 75%.

To be more specific using the example above, if the disability starts on May 1, 2011, the employee will be required to satisfy a 30 calendar day elimination period which will end on May 30, 2011. If The Hartford approves the claim through July 15, 2011, the employee will be paid STD benefits beginning May 31, 2011 through the end of the employee's normal working period for the current school year. The employee will then be placed in an unpaid status beginning the first day of their non working period through July 15, 2011.

Q 2.25 What happens if a disability recurs after the employee returns to work as an active full-time employee?

A 2.25 If an employee returns to work as an active full-time employee for 14 consecutive calendar day(s) or more, any recurrence of a disability will be treated as a new disability with respect to when benefits commence and the maximum duration of benefits. If recurrent periods of disability are due to the same or a related cause and are separated by less than 14 consecutive calendar day(s) of work as an active full-time employee, The Hartford will consider the disability to be the same period of disability.

Q 2.26 What happens if an employee is diagnosed with another disability while receiving STD benefits?

A 2.26 If The Hartford extends an employee's period of disability because of a new cause (disability), the 182nd calendar day associated with the first disability will not be extended and the plan's exclusions will apply to the new cause of disability. Consider this example:

Example

Donald suffers a stroke, files a claim with The Hartford and is granted STD benefits for a period of 8 weeks. Five days before Donald is scheduled to return to work, he falls ill and is diagnosed with pneumonia (new cause of disability). The 182nd calendar day is determined based on his original date of disability (stroke).

Q 2.27 What happens to an employee's job while receiving STD benefits?

A 2.27 The employing organization may not permanently fill an employee's position while the STD claim is in an approved status. Through the approved STD benefit period however, all employing organizations retain the right to impose disciplinary measures up to and including dismissal for just cause. For Merit employees, "just cause" means that management has sufficient reasons for imposing accountability.

Q 2.28 What is Vocational Rehabilitation?

A 2.28 Vocational Rehabilitation means employment or services that prepare an employee, if disabled, to resume gainful work. Vocational Rehabilitation Services include, when appropriate, any necessary and feasible vocational

testing, vocational training, work-place modification, prosthesis, or job placement. Vocational Rehabilitation is determined in conjunction with a referral by the DIP Return-To-Work Coordinator and/or The Hartford.

Q 2.29 What is Rehabilitative Employment?

A 2.29 Rehabilitative Employment is part of the Vocational Rehabilitation program stated above and must be approved in writing by the employee's Human Resources Office. Consider this example:

Example

Jamie works 37.5 hours per week. His physician recommends a gradual return to work to build up strength to return to his 7.5 hours work day. Jamie begins his return to work progression by working (3) 5 hour work days, gradually resuming up to his normal 7.5 hour work day.

Q 2.30 Do earnings from Rehabilitative Employment affect the weekly benefit?

A 2.30 Yes. If an employee is in an approved program of Rehabilitative Employment and is disabled, the weekly benefit will be the amount calculated for Total Disability, reduced by up to 50% of the income received from each week of Rehabilitative Employment.

Q 2.31 How will the disability benefit work with other State benefits that an employee may have?

A 2.31 The STD benefit, paid leave benefit, and FMLA are separate benefits offered to employees. These benefits must be coordinated but they are *separate* benefits. The State of Delaware has established policies for combining paid leave and FMLA for Merit employees. Approved FMLA will run concurrently with the STD benefit period for Merit employees.

Q 2.32 When will STD benefit payments will stop?

A 2.32 STD benefit payment will cease on the first to occur of the following:

1. the date the employee is no longer disabled;
2. the date the employee fails to furnish proof of continued disability;
3. the date the employee refuses to be examined, if The Hartford requires an examination;
4. the last day benefits are payable according to the Maximum Duration of Benefits shown in the Schedule of Benefits;
5. the date the employee is no longer an employee covered by the Delaware State Employees' Pension Plan pursuant to 29 Del. C. Chapter 55; or
6. the date of the employee's death

- Q 2.33 Are employees required to advise The Hartford and their Human Resources office of income received from other sources?**
- A 2.33 Yes. Employees must also provide The Hartford and their Human Resources office with a copy of the benefit determination from the other source(s).
- Q 2.34 While an employee is on Short-Term Disability (STD), are earnings subject to income tax?**
- A 2.34 Yes, all earnings (STD and paid leave) are subject to Federal, State, and local (if applicable) income tax withholding.
- Q 2.35 While filing and/or receiving STD benefits, are employees required to stay in contact with their supervisor and/or Human Resources office?**
- A 2.35 Yes, employees are required to stay in contact with their supervisor and/or agency Human Resources office throughout all absences and provide all documentation requested.
- Q 2.36 What happens if The Hartford denies the claim or the claim is later terminated before the employee has returned to work?**
- A 2.36 If the claim is denied and/or later terminated, employees may file an appeal. A detailed description of the appeals process is displayed on Statewide Benefits' website at www.ben.omb.delaware.gov.
- Q 2.37 Can employees continue to participate in the Deferred Compensation Program with Fidelity while on Short-Term Disability (STD)?**
- A 2.37 Employees may not defer any portion of the 75% STD payment. However, if an employee uses accrued leave to supplement the STD payment, the employee may defer any portion of the paid leave amount. For further questions on Deferred Compensation please contact Joshua Hitchens with the Treasurers' Office at (302) 672-6705.
- Q 2.38 What happens after an employee exhausts the 182 calendar day STD benefit period?**
- A 2.38 29 Del. C. §5253 (c)(5) of the Delaware Code reads:
- “Upon the exhaustion of the maximum short-term disability benefit period, any employee, except those entitled to hazardous duty pay as defined in § 5933(c) of this title, shall no longer be an employee of the State or any of its political subdivisions provided the employee has exhausted their Family Medical Leave Act of 1993 (FMLA) [26 U.S.C. § 2601 et seq.] entitlement and/or is not FMLA eligible. Employees entitled to hazardous duty pay as defined in § 5933(c) of this title who exhaust the maximum short-term disability benefit period shall no longer be an employee of the State or any of its political subdivisions at the end of their entitlement to hazardous duty pay provided the employee has exhausted their FMLA entitlement and/or is not FMLA eligible.”